# Unite Students - Climate Change 2018

## C0. Introduction

### C0.1

**(C0.1) Give a general description and introduction to your organization.**

As the largest manager and developer of purpose-built student accommodation, Unite Students is a pioneer, supporting the country's world-leading higher education sector. We pride ourselves in providing a Home for Success to 50,000 students every year in over 140 properties across 24 leading university towns and cities in the UK. With more developments in the pipeline, we are expanding our number of beds by 8,000 over the next three years. Our 1,400 people are committed to providing not just accommodation, but a home for our population of diverse students.

Our great service, great people and great properties are all designed around our detailed research-based student insight, providing a tailored service for our students. To ensure our students can concentrate on their development, we locate ourselves close to university campuses, city centre amenities and transport links. Students pay one bill, covering all costs, from Wi-Fi and utilities to 24-hour security and cleaning, and we have purpose built study areas so students can excel in their studies. Our staff are trained to deliver the best quality service to our students, and to actively listen and signpost students to information and support within their university and community.

We pride ourselves on our pioneering approach. We have innovated many features that are now accepted as the norm and most recently were the first private accommodation provider to move to an app-based property maintenance and communications system. Students can log 24-hour maintenance requests, noise complaints, plan and pay for laundry services and get to know their future flat mates before they move in to one of our homes. All our buildings are rigorously tested for health and fire safety, and we review our communal and external spaces to maximise a nurturing student environment.

Our commitment to customer service is powered by an innovative, in-house operating platform. It provides a wide range of benefits to our students, such as an optimised online booking process, as well as providing us with a unique ability to drive value from our portfolio through scale efficiencies and revenue managements.

Through our years of experience in the sector, we have developed strong partnerships with more than 60 of the best higher education institutions across the UK. This guarantees that around 60% of our rooms are let under multi-year, 'nomination agreements', giving us high visibility and rental growth certainty over half of our revenue. We also invest in and operate two specialist funds and joint ventures with institutional investment partners, the £2 billion Unite UK Student Accommodation Fund (USAF) and the £1 billion London Student Accommodation Vehicle (LSAV).

Our engagement in the sector, as well as our customer insight, has inspired our values and led to us founding and being a major donor to the Unite Foundation. Since 2012, this charity has provided free student accommodation and financial support to over 250 young people who lack family support.

Unlike many real estate landlords, our student pay and all inclusive rent that includes all energy they consume. Because we do not recharge them for their energy use, all our tenant's energy use contributes directly to our Scope 1 and Scope 2 GHG emissions. As a result our reported emissions per m2 are often far higher than other real estate sectors such as retail or commercial where landlord' GHG emissions are based on energy use in common areas only and often exclude the tenant's demise.

## C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

| | Start date | End date | Indicate if you are providing emissions data for past reporting years | Select the number of past reporting years you will be providing emissions data for |
|---|---|---|---|---|
| Row 1 | January 1 2017 | December 31 2017 | Yes | 3 years |
| Row 2 | January 1 2016 | December 31 2016 | <Not Applicable> | <Not Applicable> |
| Row 3 | January 1 2015 | December 31 2015 | <Not Applicable> | <Not Applicable> |
| Row 4 | January 1 2014 | December 31 2014 | <Not Applicable> | <Not Applicable> |

## C0.3

**(C0.3) Select the countries/regions for which you will be supplying data.**

United Kingdom of Great Britain and Northern Ireland

## C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

GBP

## C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.**

Financial control

# C1. Governance

## C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

## C1.1a

### (C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

| Position of individual(s) | Please explain |
|---|---|
| Chief Financial Officer (CFO) | Our CFO chairs our Responsible Business Committee and is accountable to the Board for all Responsible Business strategy and activity, which we call "Up to uS". Up to uS sets out our four strategic objectives for creating a responsible and sustainable business, which are" "Reduce our environmental impact", "Create positive social impact for young people and the communities we work in", "Create a diverse and engaged team", and "Look after the interests of our customers, partners, investors and suppliers". The "Reducing our environmental impact" objective is coordinated and led by our Group Energy and Environment Manager, who drives our Utilities and Environment Strategy aiming to reduce our most significant impacts which includes GHG emissions. We have also set specific carbon reduction targets. |

## C1.1b

### (C1.1b) Provide further details on the board's oversight of climate-related issues.

| Frequency with which climate-related issues are a scheduled agenda item | Governance mechanisms into which climate-related issues are integrated | Please explain |
|---|---|---|
| Scheduled – some meetings | Overseeing major capital expenditures, acquisitions and divestitures<br>Monitoring and overseeing progress against goals and targets for addressing climate-related issues | Climate related issues are discussed in the context of our Up to uS objectives and carbon reduction targets, as well as in the context of reviewing climate related risks and opportunities as outlined elsewhere in this disclosure. Our Executive Committee, comprising of our Executive Directors who also sit on the Board, also sign off major investment approvals including decisions to invest capital in energy, carbon and water saving initiatives as well as any other specific climate related initiatives. |

## C1.2

### (C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.

| Name of the position(s) and/or committee(s) | Responsibility | Frequency of reporting to the board on climate-related issues |
|---|---|---|
| Other committee, please specify (Responsible Business Committee) | Both assessing and managing climate-related risks and opportunities | Half-yearly |
| Environment/ Sustainability manager<br>*Group Energy & Environment Manager* | Both assessing and managing climate-related risks and opportunities | Half-yearly |
| Risk committee | Both assessing and managing climate-related risks and opportunities | As important matters arise |

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.**

The Responsible Business Committee meet quarterly and is chaired by our CFO, who is accountable to the Board for Responsible Business issues including climate-related issues. The Committee review Responsible Business related risks and opportunities twice a year and escalate the most significant to the Group Risk Committee and potentially on to the Board for further consideration.

The Responsible Business Committee comprises of :

- CFO (Chair)
- Procurement Director
- Group People Director
- Corporate Affairs Director
- Company Secretary and Head of Legal
- Group Energy & Environment Manager
- Social Impact Manager
- Reward and People Services Lead

The Responsible Business Risks and Opportunity Tracker is maintained by the Responsible Business Working Group, who track and review known and emerging risks and opportunities, and ensure appropriate management or mitigation strategies are in place. The Responsible Business Working Group comprises of :

- Procurement Director
- Company Secretary and Head of Legal
- Group Energy & Environment Manager
- Social Impact Manager
- Reward and People Services Lead

The Group Risk Committee is comprised of

- Company Secretary and Head of Legal (Chair)
- CFO
- CEO
- Group Property Director

## C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

Yes

## C1.3a

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.**

**Who is entitled to benefit from these incentives?**

Chief Executive Officer (CEO)

**Types of incentives**

Monetary reward

**Activity incentivized**

Other, please specify (Responsible Business Objectives)

**Comment**
In addition to a general commitment to improving sustainability that is assessed qualitatively, our company bonus scheme calculations include consideration of customer satisfaction collected via a series of customer feedback questionnaires aimed at all customers which takes account of student perceptions of how well we help them live responsibly and sustainably.

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**Who is entitled to benefit from these incentives?**
Energy manager

**Types of incentives**
Monetary reward

**Activity incentivized**
Emissions reduction target

**Comment**
In addition to a general commitment to improving sustainability that is assessed qualitatively, our company bonus scheme calculations include consideration of customer satisfaction collected via a series of customer feedback questionnaires aimed at all customers which includes questions about how well Unite Students helps our customers live in a sustainable manner. Our Group Energy & Environment Manager (who heads up our Energy & Environment Team) is accountable to Up to uS Steering Group for implementing energy, carbon and water saving schemes and improving wider environmental sustainability. Our Energy Efficiency Manager (who reports into the Group Energy and Environment Manager) leads our Sustainable Buildings team of Regional Energy Efficiency Manger. Improvements in climate change performance by all these roles is incentivised via personal annual objectives set at the start of the year, which are linked to the achievement of this outcome, and which also directly influence Bonus payments.

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**Who is entitled to benefit from these incentives?**
Environment/Sustainability manager

**Types of incentives**
Monetary reward

**Activity incentivized**
Behavior change related indicator

**Comment**
In addition to a general commitment to improving sustainability that is assessed qualitatively, our company bonus scheme calculations include consideration of customer satisfaction collected via a series of customer feedback questionnaires aimed at all customers which includes questions about how well Unite Students helps our customers live in a sustainable manner. Our Sustainability Engagement Coordinator (part of our Energy & Environment Team) leads the Sustainable Behaviour Team and is accountable to our Group Energy and Environment Manager for development and running of our customers and staff focused sustainability engagement campaign that seeks to drive meaningful behavioral change and help our customers and staff adopt lasting responsible and sustainable living habits. Improvements in climate change performance are incentivised via personal annual objectives set at the start of the year, which are linked to the achievement of this outcome, and which also directly influence Bonus payments.

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**Who is entitled to benefit from these incentives?**
Chief Financial Officer (CFO)

**Types of incentives**
Monetary reward

**Activity incentivized**
Emissions reduction target

**Comment**
Our CFO and Managing Director of Communications and People is accountable to the Board for our Up to uS responsible business strategy, including the development and adoption of broad ranging targets covering our three Up to uS themes of The Environment, Great Workplace and Social Impact. These include reduction of carbon and water usage. Improvements in climate change performance are incentivised via personal annual objectives set at the start of the year, which are linked to the achievement of this outcome, and which also directly influence financial bonus payments.

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**Who is entitled to benefit from these incentives?**
Process operation manager

**Types of incentives**
Monetary reward

**Activity incentivized**
Energy reduction project

**Comment**
Our regional Heads of Opperations, City Managers and Building Managers are responsible for the Profit and Loss accounting of the buildings under their management, and since energy costs contribute one of the most significant P&L impacts, a focus on energy (and hence carbon emissions) reduction is an integral part of their day to day management responsibilities. Successful energy reduction initiatives (leading also to GHG cuts) help improve P&L performance, which in turn has a direct bearing on annual financial bonus payments.

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**Who is entitled to benefit from these incentives?**
Management group

**Types of incentives**
Recognition (non-monetary)

**Activity incentivized**
Emissions reduction target

**Comment**
Our Up to uS Responsible Business Strategy Steering Group is chaired by our CEO and MD of Communications and People is accountable to the Board for environmental performance including GHG emissions. The Group includes managers from different parts of the business who are each responsible for each of our three Up to uS Responsible Business themes: The Environment, Social Impact and Great Workplace.

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**Who is entitled to benefit from these incentives?**
Other, please specify (Sustainability Champions across business)

**Types of incentives**
Recognition (non-monetary)

**Activity incentivized**
Behavior change related indicator

**Comment**
Our Sustainability Network comprises of volunteers from across our operations (at least one per city), who work closely with the central Energy & Environment Team, and who are integral to the delivery of our bespoke "Up to uS" staff and student engagement programme, that includes the NUS Green Impact Awards scheme. This includes a range of awareness raising, initiatives, activities and information that is aimed at delivering both building energy improvements and lasting behavioral change (as well wider sustainable living habits). Sustainability Champions are responsible for their city's Green Impact Award submission. Over the 2016-17 academic year 9 of our city teams earned Bronze Green Impact awards, 10 earned silver and 9 earned gold awards. Unite Students' annual employee recognition awards, the Stars Awards, includes a category for the best contribution towards sustainability within the company.

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**Who is entitled to benefit from these incentives?**
All employees

**Types of incentives**
Monetary reward

**Activity incentivized**
Behavior change related indicator

**Comment**
In addition to a general commitment to improving sustainability that is assessed qualitatively, our company bonus scheme calculations include consideration of customer satisfaction collected via a series of customer feedback questionnaires aimed at all customers which includes questions about how well Unite Students helps our customers live in a sustainable manner, including reducing carbon emissions.

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**Who is entitled to benefit from these incentives?**
Corporate executive team

**Types of incentives**
Monetary reward

**Activity incentivized**

Emissions reduction target

**Comment**

In addition to a general commitment to improving sustainability that is assessed qualitatively, our company bonus scheme calculations include consideration of customer satisfaction collected via a series of customer feedback questionnaires aimed at all customers which takes account of student perceptions of how well we help them live responsibly and sustainably.

## C2. Risks and opportunities

### C2.1

**(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.**

| | From (years) | To (years) | Comment |
|---|---|---|---|
| Short-term | 0 | 3 | |
| Medium-term | 3 | 10 | |
| Long-term | 10 | 30 | |

### C2.2

**(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.**

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

### C2.2a

**(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.**

| | Frequency of monitoring | How far into the future are risks considered? | Comment |
|---|---|---|---|
| Row 1 | Six-monthly or more frequently | >6 years | The Risk Committee (sub-committee of the Board) meets twice yearly to formally review business risks and management procedures including relevant climate change risks. Review of risk is also integral to all Board meetings. The Board are also responsible for considering developing opportunities including any relating to climate change. The Risk Committee reviews and scrutinises business risk management plans and activities, and also monitor Group policies, control measures and other risk management activities. Climate change risks are also monitored by the Group Energy and Environment Manager, over extended timescale (over 25 years) and tracked on the Responsible Business Risks and Opportunities Tracker that is reviewed twice a year, then presented to the Responsible Business Committee with the most materially significant risks escalated to the Risk Committee as necessary. |

### C2.2b

**(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.**

Company level climate related risks are identified and tracked by our Responsible Business Working Group and escalated via the Responsible Business Committee to our Risk Committee and the Board. The Group Energy and Environment Manager tracks emerging climate related risks e.g. physical, regulatory, reputation, commercial and customer behaviour risks directly or influenced by climate change, and assess their impact at a company and asset level.

During 2016-17 the Utilities & Environment team undertook detailed energy and water efficiency surveys of every property, and developed a bespoke modelling and analysis tool to assess potential energy and carbon reduction measures. These are informing our energy and water efficiency programme including physical measures to improve water and energy efficiency, as well as reduce carbon emissions, therefore mitigating our climate change impact. A full update of all Energy Performance Certificates was also undertaken in 2016-17, resulting in physical improvements being made to some properties to ensure ongoing legislative compliance. We have also assessed flood risk for all properties to assess potential impact of physical climate changes such as increased intense rainfall and risk of flooding. Our Estates team also undertake regular reviews of our buildings' physical condition to ensure that they are well maintained and identify any potential adaptation or improvement measures necessary such as improvements to drainage or repairs to building fabric to ensure they are able to cope with potential changes in physical climate.

We do not have a defined quantitative threshold for what would constitute "substantive financial impact" and individual risks are assessed to determine their qualitative and quantitative impact as per our risk management strategy set out on page 24 of our 2017 Strategic Report and annual Accounts to assess their overall impact.  The Group's risk management framework is designed to identify the principal risks and ensure that risks are being appropriately monitored, controls are in place and required actions have clear ownership with requisite accountability. The organisation has an open and accountable culture, led by a stable and experienced leadership team operating in the sector for a number of years. This culture is set by the Board in the way it conducts its Board and Committee meetings and cascades through the organisation enabling the same culture for risk management. The culture of the organisation recognises – and accepts – that risk is inherent in business and encourages an open and proactive approach to risk management as opposed to a blame culture. By viewing our risks through the lens of our 5 strategic objectives, the Group is able to ensure risk management is pro-active and pre-emptive and not a tick box exercise. The Board has the overall responsibility for the governance of risks and ensures there are adequate and effective systems in place. It does this in various ways:

· Risks are considered by the Board as an intrinsic part of strategy setting and consideration of new opportunities – risk is recognised as an inherent part of each opportunity

· A twice yearly formal review by the Board of principal risks, how they are changing and considering any emerging risks

· Risk Committee reviews the principal risks that the Group is facing or should consider

· Specific risk management in dedicated Board sub-Committees allowing focus on specific risk areas (for example, the Audit Committee and Health & Safety Committee)Risk Committee scrutiny and challenge of management activity allowing a focused forum for risk identification and review

· Risk assurance through external and internal auditors as well as specialist third party risk assurance where appropriate (e.g. British Safety Council providing specialist independent health and safety assurance).

Each year, the Board develops and refreshes the Group's Strategic Plan. This is based on detailed three-year strategic/financial projections (witt related scenario planning) and rolls forward for a further two years using more generic assumptions. The Board maps our strategic objectives against our risk profile. Then, always conscious that risk events do not necessarily happen in isolation, the Board stress tests these projections against multiple combined risk events. Through this process, a base case and stress-tested Strategic Plan is developed. During 2017, consistent with prior years, this stress-tested scenario planning considered a material reduction in the number of European and international students, a material rise in long-term interest rates and yield expansion, together with a combination of all these events occurring at the same time.

## C2.2c

### (C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

| | Relevance & inclusion | Please explain |
|---|---|---|
| Current regulation | Relevant, always included | Current regulation relating to climate change is monitored and tracked to ensure ongoing compliance, especially as issues transition from the “emerging regulation” category and are implemented via new regulation coming into force.. For example we started tracking the UK Energy Saving Opportunity Scheme and Minimum Energy Efficiency Standards for EPCs before they came into force, and now monitor our existing estate, new acquisitions and new developments to ensure ongoing compliance. We maintain a legal register tracking all relevant regulation to ensure compliance. |
| Emerging regulation | Relevant, always included | Emerging regulation is tracked to ensure we are ready for its implementation and minimise potential cost or disruption. We maintain a Regulatory Change Tracker at Group level which includes emerging climate-related regulation. For example we are currently tracking potential changes to carbon taxation and reporting requirements in the UK, as potential changes to the Minimum Energy Efficiency Standards for EPCs, and potential public consultation on changes to the Heat Network Metering and Billing Regulations to ensure we are aware of and ready for any changes or impacts. |
| Technology | Relevant, sometimes included | Extremely rapid pace of change of technologies across all sectors, including physical and digital technologies, including in our supply chain, customer base, wider public, competitors and society at large. Emerging technologies present huge potential both as opportunities to help mitigate and adapt for climate change impacts, through changes in the construction, control and management of our properties. Technological changes may result in significant changes to our customer's behaviour and their requirements, or even more fundamental changes to the ways students study. They could also result in changes to energy markets, onsite generation, carbon reporting and taxation, and regulatory enforcement. Our Procurement and Specification team coordinate or focus on innovation and technology, bringing together expertise from across the business including Operations, IT, Utilities and Environment, Customer Experience and Development to track and assess emerging technologies. In this way we can assess and understand our own needs and opportunities, and then explore potential technological solutions. We are also part of the Innovation Gateway (http://innovationgateway.com/) which helps us source and assess potential emerging technologies and innovations. Any technology that is deemed to have immediate application maybe deployed as a retrofit across the estate as appropriate, and/or included in annual updates to our “new build specification” for inclusion in future developments. |
| Legal | Not relevant, included | Given the sector Unite Students operates in and our proactive approach towards managing and mitigating climate change related risks and impacts it is not deemed likely that we will be at risk of litigation or legal action over our actions or inactions in this area. This position will be reviewed by our Group Energy and Environment Manager and our Head of Legal in future and appropriate measures taken should this subsequently be deemed a material risk. |
| Market | Relevant, always included | Rising energy costs and changes to energy markets could impact on financial performance or our ability to reduce emissions. This could also impact on our up-stream and down-stream supply chain resulting in increased operating costs. Our Energy Risk Management policy formalises our position on managing procurement, and we have been purchasing 100% REGO backed renewable electricity since May 2017. We are currently exploring options for longer term renewable energy supply that could bring additionality and make it clearer how our strategy is delivering genuine carbon reduction. This could include increasing on-site generation, as well as use of off-site PPAs or investment in our own offsite renewable generation assets. This can help ensure we address multiple climate related risks, including having access to affordable, good value renewable energy that is credible and brings additionality. |
| Reputation | Relevant, always included | Our key stakeholders including investors, HE partners, students, employees, suppliers and the wider public are increasingly interested in our environmental, social and governance performance including our response to climate change. We have engaged them on this to help understand the most materially important issues and found climate change to be among the most important. Failure to act to help mitigate and adapt for climate related risks, or failure to properly communicate our approach could severely impact on our reputation leading to loss of investment, damage to partnerships with key HE institutions, impact appeal to our customers, limit our ability to recruit and retain the best talent, and generally harm our reputation as a responsible and sustainable company. |
| Acute physical | Relevant, always included | Acute physical climate changes risks include increase frequency of extreme weather, such as heatwaves, intense rain and flooding, and high winds or storms. These could all directly damage our properties leading to disruption, increased repair and maintenance costs, or loss, damage or injury to our customers, employees or the public. They could also lead to more general disruption of our supply chain , travel infrastructure and communications, leading to short term unavailability of key products or services, utilities or ability to operate. We monitor the incidents across the estate to identify potential needs for improvement and periodically rehearse and refine our major incident response plans to make sure we have resilient systems and can operate with minimal disruption to service. Our Health and Safety Team includes an Operational Risk and Resilience Manager to support this, who works with Estates, Utilities and Environment and Operations Teams to ensure we have systems in place to prepare for and deal with likely incidents. |
| Chronic physical | Relevant, sometimes included | Chronic physical climate change risks include a general increase in summer temperatures, increased water scarcity, resource scarcity and rising sea levels could all impact on our properties and operations. These could necessitate changes to the way we construct and maintain our properties, increase the need for retrofit mitigation measures such as improvements to ventilation and cooling, changes to our asset management strategy, flood defences, and increased water efficiency. |
| Upstream | Relevant, sometimes included | Growing global population and levels of consumerism will Increased global competition and demand for limited resources, which could be exacerbated by climate related impacts such as water and raw material scarcity. This could impact on supply chains, adding cost and uncertainty to our business model. Climate change related issues such as increased cost of living and changing social norms could also drive social change that impact on our fundamental business model, necessitating diversification or changes in how we operate. |
| Downstream | Relevant, sometimes included | We engage with students while they live with us to help them adopt lasting sustainable living habits, such as responsible attitudes to energy, carbon, water, resource use and waste. While these help us reduce our scope 1, 2 and 3 GHG emissions, they also present an opportunity to reduce the future GHG emissions of our customers after they move on from living with us. In this way we can deliver a far more significant overall impact than if we purely focused on our immediate GHG emissions. |

## C2.2d

**(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.**

Climate related risk are managed by the Utilities and Environment Team, tracked on the Responsible Business Risks & Opportunities Tracker, and escalated via the Responsible Business Committee (chaired by our CFO) to the Group Risk Committee and Board as necessary.

The Group Energy & Managers identifies and tracks climate-relate risks, ensuring appropriate management or mitigation measures are in place such as:

- Formal business policies such recent updates to our Responsible Business Strategy and Environmental Strategy,
- procurement decisions such as consideration of environmental and climate change performance during supplier selection,
- utilities purchasing strategy such as our decision from May 2017 to purchase only 100% REGO backed renewable electricity,
- proposals to change our new-build or refurb specification submitted to our Specification control Group such as our recent commitment to target BREEAM Excellent ratings for all new developments
- Undertaking of survey and information gathering exercises to asses exposure of inform management/mitigation strategy.

Climate-related risks are considered out to 2050, across all areas of Unite Student's operations including the UK and globally given our high proportion of overseas students,  and sensitivity of climate-related risks to macroeconomic and geopolitical factors.

Having identified an appropriate mitigation or management approach, implementation is, where possible, by working closely with the relevant teams across the business using in house resources or external support as required. If this involves significant business change, capital expenditure, changes to our service platform, or other material consideration, approval is sought as per the level of authorisation required. This could be via liaison with the relevant functional lead, or via (in ascending order) our functional management committees (the  Property or Operations Board), our Executive Committee, or Main Board.

An example of managing a transition risk is in our approach to complying with the Minimum Energy Efficiency Standards (MEES) regulations, that aim to reduce GHG emission from buildings by setting minimum Energy Performance Certificate (EPC) ratings. We identified this as potential regulatory change well ahead of implementation, and developed a plan to ensure compliance and avoid any adverse business impacts that non-compliance could bring such as fines, enforcement action and reputational damage. This included obtaining approval to undertake a full update of all EPCs across the portfolio and developing contingency plans for different likely requirements of the regulations ahead of them being finalised. We also took a strategic decision to combine this with surveys and analysis to simultaneously comply with the requirements of the separate Energy Savings Opportunities Scheme (ESOS). Several properties were identified as being at risk of MEES non-compliance, so appropriate solutions were developed and capex approval obtained for energy performance improvements, enabling full compliance before the 2018 deadline. In addition ESOS findings were used to develop a further business case for more detailed energy surveys at individual property level and development of a bespoke modelling and analysis tool. This has been used to successfully identify the most appropriate energy efficiency interventions for our highest energy and carbon intensity sites, and obtain capex approval for over £10m of energy efficiency measures including deployment of networked heating controls, solar PV, air source heat pumps and a second phase of LED lighting building on our first £21m LED lighting and controls project that was approved in 2014.

An example of the application of our risk management approach to a physical climate risk relates to the assessment of flood risk to our properties. We have undertaken a full desktop assessment of flood risks to our properties using the Environment Agency and Scottish Environmental Protection Agency flood risk assessment data base. Following this, different our Utilities & Environment Team are working with Estates and our Operational Risk & Resilience Manager we to assess any potential mitigation measures such as improvements to management processes, more frequent reviews, additional emergency procedures or physical interventions that may be required to avoid disruption, loss or injury as a result of increased incidents of intense rain or storms resulting from climate change.

## C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Supply chain

**Risk type**

Transition risk

**Primary climate-related risk driver**

Technology: Costs to transition to lower emissions technology

**Type of financial impact driver**

Other, please specify (Increased energy prices)

**Company- specific description**

Increased operating costs due to energy costs being driven up by the need to finance decarbonisation of energy generation, rising water costs due to increased water scarcity and the need for up-stream infrastructure investment (supply and distribution system improvements etc). These all directly impact us given the pervading "all inclusive" proposition in the Purpose Built Student Accommodation Sector that Unite Students operates in, whereby tenants pay only a fixed rent irrespective of utilities use. This makes it harder for us to directly pass on increased in energy costs to our customers, which in turn can lead to loss of net operating income through rising costs.

**Time horizon**

Long-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium-low

**Potential financial impact**

5000000000

**Explanation of financial impact**

£5,000,000,000 is estimation of the total cumulative increase cost of electrictiy consumed on like-for-like basis by our operations from 2017 to 2050, based on worst-likely case scenario. It assumes highest likely increases in both commodity and non-commodity cost elements, inflation, and REGO costs, if consumption continued at current levels without any attempt to improve energy efficiency, purchasing strategy, limit non-commodity costs through demand side response, or invest in onsite renewable generation.

**Management method**

Our ongoing Utilities and Environment Strategy will deliver a programme of energy efficiency improvements, utilities management, demand side repose, on site renewable energy generation, behavioural change, purchasing decisions, and asset management to mitigate energy cost rises.

**Cost of management**

50000000

**Comment**

Costs are estimated as total cost of implementing all energy efficiency measures currently deemed to be viable and which could be deployed to limit exposure to and impact of potential utilities cost rises, as identified during ESOS Phase 1. In reality we anticipate that emerging technologies, reduced cost of implementation, and changes to the make up of our portfolio driven by acquisitions and

disposals will mean the cost of implementing the necessary energy efficiency measures will be lower than this figure.,

**Identifier**
Risk 2

**Where in the value chain does the risk driver occur?**
Supply chain

**Risk type**
Transition risk

**Primary climate-related risk driver**
Policy and legal: Increased pricing of GHG emissions

**Type of financial impact driver**
Market: Increased production costs due to changing input prices (e.g., energy, water) and output requirements (e.g., waste treatement)

**Company- specific description**
Potential increased operating costs due to introduction of measures to increase the cost of GHG emissions , potentially as an extra levy on energy use or expansion of GHG trading scheme. This would affect us directly by increasing utilities cost, but could also drive up the cost of key products and services from in our supply chain.

**Time horizon**
Medium-term

**Likelihood**
About as likely as not

**Magnitude of impact**
Medium-low

**Potential financial impact**
20

**Explanation of financial impact**
Estimate of potential direct cost implications per year based on current expectations of a scheme similar to the CRC or revised CCL should it be applicable to Unite Students, as well as the impact of increased cost to our supply chain being passed on to us.

**Management method**
Mitigate: reduce energy consumption and hence GHG emissions to avoid cost. Examples of work in this area include improving building efficiency through introduction of LED Lighting and controls, development of optimised heating controls, and customer and staff engagement campaigns to reduce demand for energy. Regulatory Change Tracker is maintained to help identify any further relevant changes in legislation or regulation.

**Cost of management**
0

**Comment**
Cost for this is included in our ongoing Utilities and Environment Strategy.

**Identifier**
Risk 3

**Where in the value chain does the risk driver occur?**
Supply chain

**Risk type**
Transition risk

**Primary climate-related risk driver**
Policy and legal: Mandates on and regulation of existing products and services

**Type of financial impact driver**
Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

**Company- specific description**
The 2015 Energy Efficiency Regulations established new Minimum Energy Efficiency Standards (MEES) in England and Wales which prohibit lease or sale of property with an EPC rating below E in England. the Scottish Section 63 Regulations are similar in

intent but more complex, and are not tied simpley to EPC rating. It is thought possible that the minimum legal rating may rise in due course, potentially as high as a "C" rating in England by 2025 or 2030, necessitating capital investment to further improve properties up to the new revised minimum standard.

**Time horizon**
Medium-term

**Likelihood**
More likely than not

**Magnitude of impact**
Medium-high

**Potential financial impact**
300000

**Explanation of financial impact**
Total maximum fines that can be awarded for non-compliance in England with the current MEES are £5000 per property. Figure reported here is assuming that that every one of our properties below C rating were to be deemed non-compliant with a new, higher MEES rating of C and attracted the maximum possible fine of £5,000 per property.

**Management method**
Our ongoing energy efficiency programme will result in improvements to energy efficiency and uplifts in EPC rating. In addition we are undertaking a desk top review using our extensive portfolio data to assess possible feasibility and costs for moving all existing properties up to a D or C rating. This will inform our future energy efficiency programme and asset management strategy. Our Utilities and Environment Team also liaise with our Asset Management and Development team to ensure that EPCs are captured for new acquisitions and new builds respectively, to ensure they are of the required standard and that any risks are highlighted early.

**Cost of management**
20000000

**Comment**
Cost provided is an estimation of potential costs for worst-likely case increase in minimum EPC rating (e.g. a minimum of "C" rating by 2025 for all assets) based on an estimate of c.£110 per m2 of real estate to improve performance up to C rating. Note that this is a very high level estimate as costs would very significantly from property to property depending on the specific details of each.

---

**Identifier**
Risk 4

**Where in the value chain does the risk driver occur?**
Supply chain

**Risk type**
Transition risk

**Primary climate-related risk driver**
Policy and legal: Other

**Type of financial impact driver**
Other, please specify (Changes to building control and planning)

**Company- specific description**
Part L of UK Building Regulations sets out energy performance standards required for new buildings. In addition local Planning Authorities may stipulate a further improvement over and above that required by Part L as part of their Consent. It is likely that future updates to Part L may require further improvements in carbon performance through increased on-site generation, low carbon design and technology or even "allowable solutions" whereby investment is made elsewhere to offset emission associated with the property itself. In addition Local Planning Authorises may also continue to stipulate larger and larger improvements upon Part L, both of which could result in additional development costs.

**Time horizon**
Short-term

**Likelihood**
More likely than not

**Magnitude of impact**
Medium

**Potential financial impact**
8000000

**Explanation of financial impact**
This is an estimate of increased development costs per year, assuming a likely uplift in capital costs (c1%) to our total annual development costs based on our existing pipeline.

**Management method**
We will seek to evolve cost effective and scaleable solutions to help deliver improvements in building performance to help comply with rising standards, without adversely impacting on the viability of new developments. By maintaining an active innovation programme we are able to identify, test and validate the most applicable and cost effective solutions.

**Cost of management**
0

**Comment**
Existing management systems and ways of working will ensure this process is managed within existing business as usual costs.

---

**Identifier**
Risk 5

**Where in the value chain does the risk driver occur?**
Direct operations

**Risk type**
Physical risk

**Primary climate-related risk driver**
Chronic: Rising mean temperatures

**Type of financial impact driver**
Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)

**Company- specific description**
Increased summer time temperatures could result in more incidents of buildings overheating, which could lead to risk to health, need to compensate or rehouse tenants, requirement to modify buildings and inability to let certain properties. Impact likely to be worse in urban centres where our buildings are concentrated due to urban heat island effect. UK climate change projections for period 2010-2039 show potential 1 to 2DegC rise in mean temperatures in our areas of operation.

**Time horizon**
Medium-term

**Likelihood**
Very likely

**Magnitude of impact**
Medium

**Potential financial impact**
1250000

**Explanation of financial impact**
Cost of rehousing tenants for short periods if building is uninhabitable due to overheating could be c.£100 per tenant per day. Possible compensation for discomfort or illness resulting from overheating. Could also make some properties difficult to let over hottest summer periods. Assuming some areas of at risk buildings are uninhabitable due to overheating for 1 week per year, impact through compensation, rehousing and inability to let could be significant, potentially £100,000s per week. Worst likely case scenario is estimated that, say, 5% of total portfolio of 50,000 beds were to be affected and could not be used for, say, 5 days per year, then total cost could be in order of £1.25m/yr

**Management method**
Identify at-risk buildings and develop measures to minimise risk of overheating (building fabric measures such as solar control film, brise soleil, natural ventilation strategies, and if necessary active cooling) . Ensure design of new developments is sufficient to prevent overheating during periods of warmer than average temperature. Ensure operational procedures are in place to identify incidents and take appropriate action. Address risk of overheating in existing properties by assessing measures for inclusion in routine lifecycle maintenance that could help mitigate or reduce risk of overheating.

**Cost of management**
0

**Comment**
Increased costs for new builds thought to be negligible, and similarly impact on existing estate not thought to be significant, although not yet fully quantified.

---

**Identifier**
Risk 6

**Where in the value chain does the risk driver occur?**
Direct operations

**Risk type**
Physical risk

**Primary climate-related risk driver**
Chronic: Changes in precipitation patterns and extreme variability in weather patterns

**Type of financial impact driver**
Increased capital costs (e.g., damage to facilities)

**Company- specific description**
Increased likelihood of high intensity rainfall or period of extreme wet weather leading to building damage through ingress of water of failure of building fabric elements (such as roof, rainscreen cladding, windows etc)

**Time horizon**
Medium-term

**Likelihood**
More likely than not

**Magnitude of impact**
Medium

**Potential financial impact**
1000000

**Explanation of financial impact**
Estimate of business impact of a single incident, of repair work to a property following rainwater ingress due to damaged roof or other building fabric element. Costs could vary significantly from property to property and year to year, but would be driven by: repair work, cost of rehousing occupants during works, compensation for disruption or loss of or damage to property.

**Management method**
Identify at risk buildings, ensure maintenance regimes are sufficient to maintain building fabric and drainage to prevent ingress or failure. Ensure operational procedures are in place to identify incidents and take appropriate action.

**Cost of management**
0

**Comment**
Cost of management is already built into existing maintenance regimes.

---

**Identifier**
Risk 7

**Where in the value chain does the risk driver occur?**
Direct operations

**Risk type**
Physical risk

**Primary climate-related risk driver**
Acute: Increased severity of extreme weather events such as cyclones and floods

**Type of financial impact driver**
Other, please specify (Business disruption and repair costs)

**Company- specific description**
Increased likelihood of high intensity rainfall or period of extreme wet weather resulting in local or regional flooding, either on site with direct impacts, or in local or vicinity and thus affecting access to/from site by staff, tenants and suppliers.

**Time horizon**
Medium-term

**Likelihood**
More likely than not

**Magnitude of impact**
Medium

**Potential financial impact**
1000000

**Explanation of financial impact**
Estimate of business impact of a single incident of flooding affecting a single property. Costs could vary significantly from property to property and year to year, but would be driven by: repair work, cost of rehousing occupants during works, compensation for disruption or loss of or damage to property.

**Management method**
Central government flood-risk tool (Environment Agency for England and Scottish Environmental Protection Agency in Scotland) has been used to identify properties located in high flood risk areas. Appropriate mitigation strategies have been built into new construction such as elevated floor levels and rainwater attenuation, and management procedures are in place to ensure appropriate response in event of flooding incident to reduce risk of injury, damage or loss.

**Cost of management**
0

**Comment**
Measures are already part of properties in high risk areas, and management procedures are in place.

---

**Identifier**
Risk 8

**Where in the value chain does the risk driver occur?**
Direct operations

**Risk type**
Physical risk

**Primary climate-related risk driver**
Chronic: Changes in precipitation patterns and extreme variability in weather patterns

**Type of financial impact driver**
Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)

**Company- specific description**
Potential for increased incidents of water scarcity, resulting in possible disruption to supply and increased supply/waste costs

**Time horizon**
Long-term

**Likelihood**
About as likely as not

**Magnitude of impact**
Medium

**Potential financial impact**
200000

**Explanation of financial impact**
Estimate increase in annual water costs based on current consumption and a 5% uplift in water costs due to increased cost of supply due to increased water scarcity.

**Management method**
Our ongoing water efficiency programme includes deployment of measures to reduce consumption across our estate, including fixing leaks, replacing high consuming fittings, and ensuring high levels of water efficiency in new builds.

**Cost of management**
2000000

**Comment**
Estimate of potential cost of ongoing water efficiency programme, all likely to have payback of less than 3 years based on current levels of consumption and costs. This case would be more compelling still under a higher price regime.

---

**Identifier**
Risk 9

**Where in the value chain does the risk driver occur?**
Direct operations

**Risk type**
Physical risk

**Primary climate-related risk driver**
Chronic: Rising sea levels

**Type of financial impact driver**
Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations

**Company- specific description**
Potential for increased coastal flooding and inundations, impacting on our operations in low lying areas or coastal areas due to flooding on site causing damage or making business impossible, or impacting on access to/from site by staff, tenants and suppliers.

**Time horizon**
Medium-term

**Likelihood**
More likely than not

**Magnitude of impact**
Medium

**Potential financial impact**
1000000

**Explanation of financial impact**
Estimate of business impact of a single incident of flooding affecting a single property. Costs could vary significantly from property to property and year to year, but would be driven by: repair work, cost of rehousing occupants during works, compensation for disruption or loss of or damage to property. Cost of supply chain disruption due to flooding elsewhere that does not physically affect the property directly is harder to quantify but could be significant.

**Management method**
Central government flood-risk tool (Environment Agency for England and Scottish Environmental Protection Agency in Scotland) has been used to identify properties located in high flood risk areas. Appropriate mitigation strategies have been built into new construction such as elevated floor levels and rainwater attenuation, and management procedures are in place to ensure appropriate response in event of flooding incident to reduce risk of injury, damage or loss. Ensure asset management and development processes assess flood risk during site selection.

**Cost of management**
0

**Comment**
Measures are already part of properties in high risk areas, and management procedures are in place.

---

**Identifier**
Risk 10

**Where in the value chain does the risk driver occur?**
Customer

**Risk type**
Physical risk

**Primary climate-related risk driver**
Chronic: Rising mean temperatures

**Type of financial impact driver**
Reduced revenues from lower sales/output

**Company- specific description**
Increased incidents of summertime overheating could dissuade customers from booking over the summer period, or else negatively impact on existing customers' experience. This could lead to reputational damage or loss of revenue from lost sales or compensation.

**Time horizon**
Medium-term

**Likelihood**
About as likely as not

**Magnitude of impact**
Medium-low

**Potential financial impact**
1000000

**Explanation of financial impact**
Worst likely case for impact on revenue from reduced summer lets, assuming reduced sales over a 2 week peak summer period.

**Management method**
Identify at-risk buildings and develop measures to minimise risk of overheating (building fabric measures such as solar control film, brise soleil, natural ventilation strategies, and if necessary active cooling) . Ensure design of new developments is sufficient to prevent overheating during periods of warmer than average temperature. Ensure operational procedures are in place to identify incidents and take appropriate action. Address risk of overheating in existing properties by assessing measures for inclusion in routine lifecycle maintenance that could help mitigate or reduce risk of overheating.

**Cost of management**
0

**Comment**
Increased costs for new builds thought to be negligible, and similarly impact on existing estate not thought to be significant, although not yet fully quantified.

---

**Identifier**
Risk 11

**Where in the value chain does the risk driver occur?**
Supply chain

**Risk type**
Transition risk

**Primary climate-related risk driver**
Market: Changing customer behavior

**Type of financial impact driver**
Market: Reduced demand for goods and/or services due to shift in consumer preferences

**Company- specific description**
Increased awareness of impact of global travel, and increased cost of global travel, could result in reduction of overseas students choosing to study in the UK, thus resulting in increased competition in student accommodation sector causing reduced occupancy levels.

**Time horizon**
Unknown

**Likelihood**
About as likely as not

**Magnitude of impact**
Unknown

**Potential financial impact**
1700000

**Explanation of financial impact**
2017 rental income was c.£170m, so a 1% reduction could result in a £1.7m impact. This is an estimate of the potential impact of this risk.

**Management method**
Our ongoing business strategy tracks this as a risk. Management strategy includes ensuring that Unite Students is the leading brand in the Purpose Built Student Accommodation sector, and so is insulated from factors that may lead to reduction in net student numbers. For example we are aligned with a high proportion of leading universities and are investing in our assets and service platform to make sure we remain highly attractive to students.

**Cost of management**
0

**Comment**
Cost is part of our business as usual approach.

---

**Identifier**
Risk 12

**Where in the value chain does the risk driver occur?**
Supply chain

**Risk type**
Transition risk

**Primary climate-related risk driver**
Reputation: Increased stakeholder concern or negative stakeholder feedback

**Type of financial impact driver**
Reputation: Reduction in capital availability

**Company- specific description**
Increased stakeholder awareness of climate change issues puts pressure on Unite Students to actively mitigate and adapt, and to be seen to do so. Failure to act or be seen to act could result in reputational damage, impacting on sales, long term partnership opportunities, or reduced access to capital as institutional investors seek to reduce carbon impact of their investments.

**Time horizon**
Medium-term

**Likelihood**
More likely than not

**Magnitude of impact**
Medium-low

**Potential financial impact**
1000000

**Explanation of financial impact**
This is a very rough estimate based on increased costs of capital and potential reduction in demand. Detailed modelling has not been undertaken to arrive at a more robust assessment, and in any event this would still be heavily caveated given varierty of factors at play.

**Management method**
Our current Up to uS responsible business strategy includes four strategic objectives, and two especially are relevant to this risk: "reduce our environmental impact" and "look after the interests of our customers, partners and investors". The first of these includes a strong focus on carbon reduction, and the second includes a focus on engaging stakeholders to communicate the full extent of managing and mitigating our climate related impacts as well as wider ESG issues. In this way we can mitigate this risk and ensure ongoing access to market and capital.

**Cost of management**
0

**Comment**
This is already business as usual so no additional costs are involved.

---

**Identifier**
Risk 13

**Where in the value chain does the risk driver occur?**
Customer

**Risk type**

Transition risk

**Primary climate-related risk driver**
Market: Changing customer behavior

**Type of financial impact driver**
Market: Reduced demand for goods and/or services due to shift in consumer preferences

**Company- specific description**
Increased cost of living partly lined to result of global climate change impacts, combined with advances in technology that facilitates remote learning, could result in changes to education and study patterns, with more students living at home resulting in reduced demand for our products and services. Note this is linked to a wider risk that we track around changing patterns of study and societal behaviour driven by technological advances, socioeconomic factors such as university fees, and political policy such as student visa numbers.

**Time horizon**
Medium-term

**Likelihood**
Unlikely

**Magnitude of impact**
Medium-low

**Potential financial impact**
1000000

**Explanation of financial impact**
Estimate is based on a reduction in revenue resulting from reduction in demand due to changes in student study patterns and behaviour.

**Management method**
Our ongoing business strategy tracks this as a risk. Management strategy includes ensuring that Unite Students is the leading brand in the Purpose Built Student Accommodation sector, and so is insulated from factors that may lead to reduction in net student numbers. For example we are aligned with a high proportion of leading universities and are investing in our assets and service platform to make sure we remain highly attractive to students.

**Cost of management**
0

**Comment**
Cost is part of our business as usual approach.

## C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**
Yes

## C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**
Opp1

**Where in the value chain does the opportunity occur?**
Direct operations

**Opportunity type**
Resource efficiency

**Primary climate-related opportunity driver**
Use of more efficient production and distribution processes

**Type of financial impact driver**
Reduced operating costs (e.g., through efficiency gains and cost reductions)

**Company- specific description**
General move towards more energy efficient buildings and building services will drive development and promulgation of products and services that could help us significantly reduce energy use and therefore deliver operational cost savings.

**Time horizon**
Medium-term

**Likelihood**
More likely than not

**Magnitude of impact**
Medium

**Potential financial impact**
1000000

**Explanation of financial impact**
Potential additional energy savings per year achievable over and above those currently expected, driven by availability of new products and services that further improve energy efficiency.

**Strategy to realize opportunity**
On ongoing energy utilities and environment strategy includes an innovation programme that seeks to identify, test and quantify the impact of emerging technologies. In this way we can maintain a broad toolkit of measures that can be applied to improve energy efficiency across our estate both in new builds and existing properties.

**Cost to realize opportunity**
0

**Comment**
Our ongoing innovation programme is business as usual and will pick up measures to feed into our ongoing energy efficiency programme.

---

**Identifier**
Opp2

**Where in the value chain does the opportunity occur?**
Direct operations

**Opportunity type**
Resource efficiency

**Primary climate-related opportunity driver**
Other

**Type of financial impact driver**
Reduced operating costs (e.g., through efficiency gains and cost reductions)

**Company- specific description**
Long term rising temperatures could result in milder winters in the UK and so reduce winter heating demand which is a major element of our energy consumption, thus delivering energy savings.

**Time horizon**
Medium-term

**Likelihood**
About as likely as not

**Magnitude of impact**
Medium-low

**Potential financial impact**
1000000

**Explanation of financial impact**

Estimate of potential annual energy savings resulting from warmer winters and reduced heating demand based on analysis of winter heating demand.

**Strategy to realize opportunity**
This benefit will be realised if and when climate change brings about an increase in winter temperatrues in the UK.

**Cost to realize opportunity**
0

**Comment**
There is no cost associated with realising this benefit.

---

**Identifier**
Opp3

**Where in the value chain does the opportunity occur?**
Customer

**Opportunity type**
Products and services

**Primary climate-related opportunity driver**
Shift in consumer preferences

**Type of financial impact driver**
Increased revenue through demand for lower emissions products and services

**Company- specific description**
By demonstrating how we are proactively working to reduce GHG emissions and our wider environmental footprint, we can develop a market advantage that helps differentiate us form our competitors.

**Time horizon**
Medium-term

**Likelihood**
More likely than not

**Magnitude of impact**
Low

**Potential financial impact**
1700000

**Explanation of financial impact**
2017 rental income was c.£170m, so a 1% increase could result in a £1.7m uplift. This is an estimate of the potential impact of this risk.

**Strategy to realize opportunity**
Our Up to uS responsible business strategy helps us communicate our approach to being a responsible and sustainable business. This includes a strong focus in our Utilities and Environment Strategy on carbon reduction and helping our students to adopt lasting responsible living habits.

**Cost to realize opportunity**
0

**Comment**
This is already business as usual.

---

**Identifier**
Opp4

**Where in the value chain does the opportunity occur?**
Supply Chain

**Opportunity type**
Resource efficiency

**Primary climate-related opportunity driver**
Other

**Type of financial impact driver**
Increased value of fixed assets (e.g., highly rated energy-efficient buildings)

**Company- specific description**
Our established focus on improving the energy and water efficiency of our properties will increasingly be recognised as adding genuine value to our assets, leading to a potential increase in net asset value.

**Time horizon**
Short-term

**Likelihood**
More likely than not

**Magnitude of impact**
Medium-low

**Potential financial impact**
2000000

**Explanation of financial impact**
Estimate of increase to net asst value (NAV) based on a small uplift in asset value being recognised for improvements in energy and water efficiency and a reduction in carbon emissions.

**Strategy to realize opportunity**
Our ongoing water and energy efficiency programmes that form part of our Utilities and Environment Strategy will deliver these savings in energy and water efficiency, and we are working with our valuers to recognise the corresponding reduction in operating costs and attractiveness of the assets as being low carbon.

**Cost to realize opportunity**
0

**Comment**
There is no additional cost associated with realising this benefit.

## C2.5

### (C2.5) Describe where and how the identified risks and opportunities have impacted your business.

| | Impact | Description |
|---|---|---|
| Products and services | Impacted for some suppliers, facilities, or product lines | Insight and market research undertaken has confirmed an increased focus on and interest in energy and carbon efficient student accommodation and a general wish for accommodation to help students live more responsibly and sustainable lives. Therefore this is a clear opportunity, and we have worked to ensure our approach in this area is easily understandable by students and HE partners. This has lead to an increased focus on responsible business issues including climate related issues in communications with key partners like students and universiteis. |
| Supply chain and/or value chain | Impacted | The tightening of regulation around GHG emissions and energy performance of buildings has impacted our supply chain, resulting in increased workload and costs during planning, design and construction of new properties in order to meet more stringent standards. For example, Local Planning Authorities have stipulated ever increasing additional improvements in carbon performance over and above those stipulated by national government's Building Regulations, necessitating additional investment in on site renewable energy, insulation and changes to building design. In some cases this has already lead to significant changes to the design and specification of new developments in order to meet local planning requirements. |
| Adaptation and mitigation activities | Impacted | We have already invested over £30m in energy and water efficiency measures across our existing estate, delivering significant reductions in carbon. While these deliver operational cost savings to the business, they equally have been driven by a recognition of the need to mitigate climate change by reducing our emissions. We have also begun a program of detailed water efficiency surveys and improvement works, driven by rising water costs which are expected to worsen in future as a result of climate change. |
| Investment in R&D | Impacted | We have worked closely with our supply chain to help develop and improve products and services to help mitigate our climate change impact through reduction of energy use and GHG emissions. For example we have undertaken various trials and development of networked smart building controls to identify our preferred solution. We are also members of the Innovation Gateway (http://innovationgateway.com/) which we use to help source and develop innovative ways of reducing our climate impacts. The decision to join the Innovation Gateway was significantly driven by the recognised need to have a robust, comprehensive but flexible approach to sourcing innovation, allowing us to rapidly identify the most suitable solution for a given need. |
| Operations | Impacted | Incidents of unseasonable weather and increased frequency of extreme weather events have resulted in disruption to our operations. This has included supply-chain disruption nationally due to flooding and snow, building damage due to high winds, storms and rainfall, local flooding, loss of water supply due to freezing during extreme winter weather, increased costs due to higher heating demand over colder than expected weather and increased frequency of overheating due to periods of hotter than usual weather. |
| Other, please specify | Impacted | Increased focus on ESG and sustainability performance among stakeholders including HE Partners, investors, students, employees and Local Authorities has resulted in increased reporting and disclosure burden. We have seen a clear increases in the number of ESG related questions and quires from investors and rating agencies. |

## C2.6

**(C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.**

| | Relevance | Description |
|---|---|---|
| Revenues | Not impacted | Identified risks and opportunities in this area that could impact financial planning occur over the horizon of timescale for which detailed financial planning is undertaken, so have not yet been fully investigated or realised. |
| Operating costs | Impacted | Utilities including energy and water, and the direct financial implications of carbon emissions, are one of Unite Students highest operating costs. Electricity costs are already rising as a result of increasing commodity and non-commodity cost as a direct result of climate related factors. For example a non-commodity costs have risen in previous years, driven by government policy around decarbonisation of the UK electrictiy generation network (e.g. rising FITs charges and Contracts for Difference), and necessary improvements to the transmission and distribution network (rising DUoS, TUoS, and BSUoS charges). This has lead to higher than expected utility costs being incurred, in the past, and so future budgeting will ensure a wider range of possible energy cost scenarios are considered to minimise risk in future. |
| Capital expenditures / capital allocation | Impacted | In response to need to reduce building energy consumption to cut costs and GHG emissions, we have significantly increased capital allocated to energy, carbon and water reducing projects. In addition a more comprehensive and collaborative approach is under development for capital allocation, ensuring that decisions are made from a balanced and all informed perspective taking account of all needs. |
| Acquisitions and divestments | Impacted | In order to maintain our ability to manage our assets including disposals to release capital for new developments which is central to our business strategy, we have had to ensure our properties meet the Minimum Energy Efficiency Standards for EPC Ratings. This has necessitated capital investment to improve performance on some sites. We have also observed an increased focus on compliance with energy and carbon legislation such as MEES and ESOS from existing investors as well as from potential buyers during portfolio disposals leading to increased workload on disclosure and responding. |
| Access to capital | Not yet impacted | We have seen an increase in approaches from providers offering access to capital specifically for green investment such as energy and carbon reduction programmes. To date we have only used internal capital to finance our activities in this area, but may consider making use of such facilities in the future. |
| Assets | Impacted | In order to maintain regulatory compliance with the Minimum Energy Efficiency Standards for EPC Ratings and the Energy Saving Opportunity Scheme (ESOS) we have undertaken significant works to survey and assess all properties, and also invested capital where necessary to improve ratings to ensure compliance. We will also ensure all future developments and acquisitions are assessed to ensure ongoing compliance. |
| Liabilities | We have not identified any risks or opportunities | None identified yet. |
| Other | We have not identified any risks or opportunities | None identified yet. |

## C3. Business Strategy

### C3.1

**(C3.1) Are climate-related issues integrated into your business strategy?**

Yes

### C3.1a

**(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?**

No, but we anticipate doing so in the next two years

### C3.1c

**(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.**

Unite Student's corporate purpose is to create a "**Home for Success"** for our students, where they can live grow and succeed at university and beyond. This is the driving force for everything that we do - it is "**why**" we do what we do.

In order to create a home for success, our business strategy focuses on three core areas: delivering "**Great Service**", with "**Great People**" in "**Great Properties**". This is "**what**" we do.

"**Up to uS**" defines approach to being a responsible and sustainable business. It wraps around our purpose and strategy, and sets out "**how"** we do what we do in a responsible and sustainable way.

More details are available here: http://www.unite-group.co.uk/responsibility/our-approach-and-progress

Up to uS is, therfore, fundamentally part of our business strategy, pulling together all the responsible business related risks and opportunities across the full breadth of our business activity, including climate related issues.

Up to uS sets our four overarching responsible business objectives:
- Looking after the interests of our customers, partners and investors
- Reducing our environmental impact
- Delivering positive social impacts for young people and the communities we work in
- Creating a diverse and engaged team

More details can be found in our Responsible Business Policy here: http://app.one-report.com/download.html/2017/shared/library/0931-00015489.pdf

Our Responsible Business Committee, headed by our CFO, is accountable to our Board for implementing our Responsible Business Policy, and meet quarterly to oversee strategy and activity, and review key responsible business related risks and opportunities. Our Responsible Business Working Group meets monthly to coordinate activity, plan detailed strategy and manage responsible business related risks and opportunities including climate related issues.

We are also committed to reporting our climate change related performance via CDP and under the Global Real Estate Sustainability Benchmark (GRESB) scheme. Following our first ever separate CR&S Report published in 2015, we are currently working to align our online reporting with the new GRI Standards framework, see here http://www.unite-group.co.uk/responsibility/gri-g4-reporting

The Up to uS objective "Reducing our environmental impact" is addressed by our Energy and Environment strategy, as set out in our Environmental policy here: http://app.one-report.com/download.html/2017/shared/library/0931-00014659.pdf

This includes "energy & carbon" as one of our three most significant environmental impacts, recognises the significant threat that climate change poses and our responsibility to address climate related issues. Our approach to tackling these impacts focuses on three areas:
- **Good Management**: this includes efficient and effective procurement of energy including renewables, reducing carbon emissions associated with energy use via onsite generation and storage, purchasing credible renewable energy, dynamically managing our energy consumption to reduce strain on the National Grid at peak periods, managing risks and opportunities, and internal and external reporting and disclosure.
- **Responsible Behaviour**: This includes enabling and encouraging adoption of lasting responsible living and working habits among our student customers, employees and suppliers. This includes a focus on reducing energy and water use, as well as reducing waste and increasing recycling, but also includes broader sustainability themes

- **Efficient Buildings**: This is about making physically improving our properties such as making building fabric and building services more energy and water efficient, and providing the right physical environment for sustainable behaviour such as providing the right recycling facilities.

Specifically we signed up to the We Mean Business Coalitions's commitment to develop Science Based Targets, and accordingly have set ambitious Scope 1 and Scope 2 targets.

## C3.1g

**(C3.1g) Why does your organization not use climate-related scenario analysis to inform your business strategy?**

To date our strategy for managing climate related risks has been focused on the mitigation and adaptation required, with significant business resources and focus on, for example, the ongoing implementation of over £30m capital investment in energy and water efficiency measures. This level of capital investment, when taken with other progress such as Unite Students signing up to the We Mean Business Coalition commitments, and decision to purchase only 100% REGO certified renewable electricity from May 2017 on wards, demonstrate how this is already part of our business strategy. We have also been developing and embedding our Up to uS Responsible Business Strategy, making significant progress over the last 2 years in this area.

Due to other business priorities and activities during this period, there has not yet been an opportunity to undertake climate-related scenario analysis. In addition, the nature of the climate related risks and opportunities that apply to Unite Students, as set out elsewhere in our CDP response, make it clear that our operations are not as exposed to severe or existential climate related risks in the way that other business sectors such as energy or manufacturing maybe, meaning climate related scenario analysis is not as likely to raise issues that are not already tracked and managed.

However we do intend to undertake climate-related scenario analysis before the next CDP reporting cycle . This will in the first instance involve our Group Energy and Environment Manager working with the other members of the Responsible Business Working Group to develop an understanding of the requirements and TCFD guidance on undertaking climate related scenario analysis. This will then be presented to the Responsible Business Committee to determine the most appropriate way in which to undertake the analysis and modelling of impacts on our business strategy.

# C4. Targets and performance

## C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Both absolute and intensity targets

## C4.1a

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**

Abs 1

**Scope**
Scope 1 +2 (market-based)

**% emissions in Scope**
100

**% reduction from base year**
0

**Base year**
2014

**Start year**
2014

**Base year emissions covered by target (metric tons CO2e)**
59820

**Target year**
2025

**Is this a science-based target?**
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

**% achieved (emissions)**
100

**Target status**
Underway

**Please explain**
This target is for a freeze (i.e. no increase) to in-year absolute combined scope 1 + 2 (market based) emissions by 2025 vs 2014 benchmark. 2017 absolute combined scope 1 + 2 (market based) emissions were 22,552 tonnes CO2e compared to 59,820 tonnes CO2e in 2014, and so have reduced by 64.9% compared to the targeted reduction of 25% by 2025. This is in spite of an increase in the total number of student beds under management from 39,125 in 2014 to 49,528 in 2017 (resulting in an increased in total floor area from 1,147,556m2 to 1,368,364m2).

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**Target reference number**
Abs 2

**Scope**
Scope 1 +2 (market-based)

**% emissions in Scope**
100

**% reduction from base year**
44

**Base year**
2014

**Start year**
2014

**Base year emissions covered by target (metric tons CO2e)**
59820

**Target year**
2050

**Is this a science-based target?**
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

**% achieved (emissions)**
64.9

**Target status**
Underway

**Please explain**
This target is for a 44% reduction to in-year absolute combined scope 1 + 2 (market based) emissions by 2050 vs 2014 benchmark. 2017 absolute combined scope 1 + 2 (market based) emissions were 22,552 tonnes CO2e compared to 59,820 tonnes CO2e in 2014, and so have reduced by 64.9% compared to the targeted reduction of 44% by 2050. This is in spite of an increase in the total number of student beds under management from 39,125 in 2014 to 49,528 in 2017 (resulting in an increased in total floor area from 1,147,556m2 to 1,368,364m2).

## C4.1b

**(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).**

**Target reference number**
Int 1

**Scope**
Scope 2 (market-based)

**% emissions in Scope**
100

**% reduction from baseline year**
35

**Metric**
Metric tons CO2e per unit of service provided

**Base year**
2014

**Start year**
2014

**Normalized baseline year emissions covered by target (metric tons CO2e)**
1.529

**Target year**
2020

**Is this a science-based target?**
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science Based Targets initiative

**% achieved (emissions)**
100

**Target status**
Underway

**Please explain**
This target is for a 35% reduction to in-year combined scope 1 + 2 (market based) carbon intensity, normalised by number of student beds under management in year (student beds are our unit of service provided, and are a widely used normalisation factor for other business KPIs), by 2020 vs 2014 benchmark. 2017 combined scope 1 + 2 (market based) emissions intensity was 0.516 tonnes CO2e/bed/yr compared to 1.529 tonnes CO2e/bed/yr in 2014, and so have reduced by 66.3% compared to the targeted reduction of 35% by 2020.

**% change anticipated in absolute Scope 1+2 emissions**
0

**% change anticipated in absolute Scope 3 emissions**
0

**Target reference number**
Int 2

**Scope**
Scope 1 +2 (market-based)

**% emissions in Scope**
100

**% reduction from baseline year**
50

**Metric**
Metric tons CO2e per unit of service provided

**Base year**
2014

**Start year**
2014

**Normalized baseline year emissions covered by target (metric tons CO2e)**
1.529

**Target year**
2025

**Is this a science-based target?**
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science Based Targets initiative

**% achieved (emissions)**
100

**Target status**
Underway

**Please explain**
This target is for a 50% reduction to in-year combined scope 1 + 2 (market based) carbon intensity, normalised by number of student beds under management in year (student beds are our unit of service provided, and are a widely used normaisation factor for other business KPIs), by 2025 vs 2014 benchmark. 2017 combined scope 1 + 2 (market based) emissions intensity was 0.516 tonnes CO2e/bed/yr compared to 1.529 tonnes CO2e/bed/yr in 2014, and so have reduced by 66.3% compared to the targeted reduction of 50% by 2025.

**% change anticipated in absolute Scope 1+2 emissions**
0

**% change anticipated in absolute Scope 3 emissions**
0

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**Target reference number**
Int 3

**Scope**
Scope 2 (market-based)

**% emissions in Scope**
100

**% reduction from baseline year**
58

**Metric**
Metric tons CO2e per unit of service provided

**Base year**
2014

**Start year**
2014

**Normalized baseline year emissions covered by target (metric tons CO2e)**
1.529

**Target year**
2030

**Is this a science-based target?**
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science Based Targets initiative

**% achieved (emissions)**
100

**Target status**
Underway

**Please explain**
This target is for a 58% reduction to in-year combined scope 1 + 2 (market based) carbon intensity, normalised by number of student beds under management in year (student beds are our unit of service provided, and are a widely used normaisation factor for other business KPIs), by 2030 vs 2014 benchmark. 2017 combined scope 1 + 2 (market based) emissions intensity was 0.516 tonnes CO2e/bed/yr compared to 1.529 tonnes CO2e/bed/yr in 2014, and so have reduced by 66.3% compared to the targeted reduction of 58% by 2030.

**% change anticipated in absolute Scope 1+2 emissions**
-11

**% change anticipated in absolute Scope 3 emissions**
0

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**Target reference number**
Int 4

**Scope**
Scope 1 +2 (market-based)

**% emissions in Scope**
100

**% reduction from baseline year**
67

**Metric**
Metric tons CO2e per unit of service provided

**Base year**
2014

**Start year**
2014

**Normalized baseline year emissions covered by target (metric tons CO2e)**
1.529

**Target year**
2035

**Is this a science-based target?**
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science Based Targets initiative

**% achieved (emissions)**
98

**Target status**
Underway

**Please explain**
This target is for a 67% reduction to in-year combined scope 1 + 2 (market based) carbon intensity, normalised by number of student beds under management in year (student beds are our unit of service provided, and are a widely used normaisation factor for other business KPIs), by 2035 vs 2014 benchmark. 2017 combined scope 1 + 2 (market based) emissions intensity was 0.516 tonnes CO2e/bed/yr compared to 1.529 tonnes CO2e/bed/yr in 2014, and so have reduced by 66.3% compared to the targeted reduction of 67% by 2035

**% change anticipated in absolute Scope 1+2 emissions**
-25

**% change anticipated in absolute Scope 3 emissions**
0

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**Target reference number**
Int 5

**Scope**
Scope 1 +2 (market-based)

**% emissions in Scope**
100

**% reduction from baseline year**
73

**Metric**
Metric tons CO2e per unit of service provided

**Base year**
2014

**Start year**
2014

**Normalized baseline year emissions covered by target (metric tons CO2e)**
1.529

**Target year**
2040

**Is this a science-based target?**
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science Based Targets initiative

**% achieved (emissions)**
90

**Target status**
Underway

**Please explain**
This target is for a 73% reduction to in-year combined scope 1 + 2 (market based) carbon intensity, normalised by number of student beds under management in year (student beds are our unit of service provided, and are a widely used normaisation factor for other business KPIs), by 2040 vs 2014 benchmark. 2017 combined scope 1 + 2 (market based) emissions intensity was 0.516 tonnes CO2e/bed/yr compared to 1.529 tonnes CO2e/bed/yr in 2014, and so have reduced by 66.3% compared to the targeted reduction of 67% by 2040.

**% change anticipated in absolute Scope 1+2 emissions**
-37

**% change anticipated in absolute Scope 3 emissions**

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**Target reference number**
Int 6

**Scope**
Scope 1 +2 (market-based)

**% emissions in Scope**
100

**% reduction from baseline year**
77

**Metric**
Metric tons CO2e per unit of service provided

**Base year**
2014

**Start year**
2014

**Normalized baseline year emissions covered by target (metric tons CO2e)**
1.529

**Target year**
2045

**Is this a science-based target?**
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science Based Targets initiative

**% achieved (emissions)**
86

**Target status**
Underway

**Please explain**
This target is for a 77% reduction to in-year combined scope 1 + 2 (market based) carbon intensity, normalised by number of student beds under management in year (student beds are our unit of service provided, and are a widely used normaisation factor for other business KPIs), by 2045 vs 2014 benchmark. 2017 combined scope 1 + 2 (market based) emissions intensity was 0.516 tonnes CO2e/bed/yr compared to 1.529 tonnes CO2e/bed/yr in 2014, and so have reduced by 66.3% compared to the targeted reduction of 77% by 2045.

**% change anticipated in absolute Scope 1+2 emissions**
-43

**% change anticipated in absolute Scope 3 emissions**
0

## C4.2

**(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.**

**Target**
Waste

**KPI – Metric numerator**
Quantity of waste generated on site (including student tenants' household waste) sent to landfill.

**KPI – Metric denominator (intensity targets only)**

**Base year**
2018

**Start year**
2018

**Target year**
2025

**KPI in baseline year**
0

**KPI in target year**
100

**% achieved in reporting year**
0

**Target Status**
New

**Please explain**
This target is for "zero waste to landfill" by 2025, expressed as the % of commercial waste generated on out sites that is diverted from landfill. Therefore a reported figure of "100% diverted from landfill" will indicate this target has been 100% fulfilled. This applies to commercial waste generated by Unite Students during operation, maintenance and housekeeping activity. Note this excludes household waste generated by student tenants living in our properties, as this is generally collected by Local Authorities in the same way as any other domestic waste from any other household is, without any provision from the council for data on quantity of waste collected or how it is processed.

**Part of emissions target**

**Is this target part of an overarching initiative?**
No, it's not part of an overarching initiative

## C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**
Yes

## C4.3a

**(C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

| | Number of projects | Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *) |
|---|---|---|
| Under investigation | 150 | 0 |
| To be implemented* | 20 | 1000 |
| Implementation commenced* | 1 | 10 |
| Implemented* | 5 | 25 |
| Not to be implemented | 0 | 0 |

## C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Activity type**
Energy efficiency: Building services

**Description of activity**
Building controls

**Estimated annual CO2e savings (metric tonnes CO2e)**
148

**Scope**
Scope 2 (location-based)
Scope 2 (market-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**
150000

**Investment required (unit currency – as specified in CC0.4)**
1200000

**Payback period**
4 - 10 years

**Estimated lifetime of the initiative**
16-20 years

**Comment**
Retrofit installation of smart networked controls on to direct electric space heating and direct electric hot water cylinders. Financial savings include energy and carbon savings, as well as operational savings from remote monitoring of hot water temperatures for Legionella control.

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**Activity type**
Energy efficiency: Building services

**Description of activity**
HVAC

**Estimated annual CO2e savings (metric tonnes CO2e)**
148

**Scope**
Scope 2 (location-based)
Scope 2 (market-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**
120000

**Investment required (unit currency – as specified in CC0.4)**
1000000

**Payback period**
4 - 10 years

**Estimated lifetime of the initiative**
16-20 years

**Comment**
Retrofit installation of high efficiency high pressure CO2 based air-source heat pumps to provide domestic hot water as part of major refurbishment of two properties.

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## C4.3c

### (C4.3c) What methods do you use to drive investment in emissions reduction activities?

| Method | Comment |
|---|---|
| Compliance with regulatory requirements/standards | Compliance with current and emerging legislation sets a baseline in awareness of energy and carbon performance, helping to create a receptive environment for investment proposals aimed at reducing energy consumption and GHG emisisons. For example the UK Government CRC EES sets a basic cost on carbon, while the Energy Saving Opportunity Scheme raises high level awareness of potential opportunities and savings. Some legislation such as the Minimum Energy Efficiency Standards for EPCs has also directly driven investment in emissions reduction, necessitating energy and thus carbon saving measures on some sites to ensure ongoing compliance. |
| Dedicated budget for energy efficiency | The Utilities and Environment Team has a dedicated budget for technical innovation and research and development of energy, carbon and water efficiency measures, to help develop solutions and business cases for investment. |
| Dedicated budget for other emissions reduction activities | The Utilities and Environment Team has a dedicated budget for day to day activity including management and reporting, external verification of energy and GHG data, technical innovation and research and development of energy, carbon and water efficiency measures, and our own in house behavioural change and engagement programme. |
| Employee engagement | Our award winning in house engagement and behavioural change programme aims to engage employees, customers and suppliers to promote and encourage adoption of lasting responsible living and working habits. This in turn increases engagement and buy in, creating a culture and environment which recognises the need to act to mitigate climate change through investment in for example energy efficiency or renewable energy generation. |
| Internal price on carbon | Currently the UK Government CRC EES provides an effective cost on carbon. We purchase carbon credits on a "buy to comply" basis, providing a fixed and transparent cost per tonne of carbon. This provides and additional element of financial benefit for any business case that delivers carbon reductions through energy efficiency or onsite generation |

## C4.5

### (C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

No

# C5. Emissions methodology

## C5.1

**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

**Scope 1**

**Base year start**
January 1 2014

**Base year end**
December 31 2014

**Base year emissions (metric tons CO2e)**
4394

**Comment**
Based on total natural gas consumption of 23,328,331.98 kWh and UK DEFRA natural gas emissions factor for 2014.

**Scope 2 (location-based)**

**Base year start**
January 1 2014

**Base year end**
December 31 2014

**Base year emissions (metric tons CO2e)**
56026

**Comment**
Based on total electricity consumption of 111,948,910.66 kWh and UK DEFRA grid electricity emissions factor for 2014.

**Scope 2 (market-based)**

**Base year start**
January 1 2014

**Base year end**
December 31 2014

**Base year emissions (metric tons CO2e)**
55426

**Comment**
Based on total electricity consumption of 111,948,910.66 kWh and suppliers' stated residual supply mix for 2014.

## C5.2

**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.**
Defra Voluntary 2017 Reporting Guidelines

# C6. Emissions data

## C6.1

### (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

**Row 1**

**Gross global Scope 1 emissions (metric tons CO2e)**
6094

**End-year of reporting period**
<Not Applicable>

**Comment**
Comprised of emissions from combustion of natural gas consumption for space heating and domestic hot water within our buildings, and from combustion of petrol and diesel in company pool vehicles used for business trips (mostly works vans).

**Row 2**

**Gross global Scope 1 emissions (metric tons CO2e)**

**End-year of reporting period**

**Comment**

**Row 3**

**Gross global Scope 1 emissions (metric tons CO2e)**

**End-year of reporting period**

**Comment**

**Row 4**

**Gross global Scope 1 emissions (metric tons CO2e)**

**End-year of reporting period**

**Comment**

## C6.2

### (C6.2) Describe your organization's approach to reporting Scope 2 emissions.

**Row 1**

**Scope 2, location-based**
We are reporting a Scope 2, location-based figure

**Scope 2, market-based**
We are reporting a Scope 2, market-based figure

**Comment**
For transparency and clarity we choose to report both market based and location based emissions. Location based emissions are useful for demonstrating the impact of reductions in energy consumption delivered via our Utilities and Environment Strategy focus on energy efficient buildings and responsible behaviour, while market based emissions allow us to demonstrate the impact delivered by our decision to voluntarily pay an increased price for REGO (Renewable Electricity Guarantee of Origin) certified electricity from renewable sources.

## C6.3

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Row 1**

**Scope 2, location-based**
42459

**Scope 2, market-based (if applicable)**
19458

**End-year of reporting period**
<Not Applicable>

**Comment**
We began purchasing only 100% REGO Certified renewable electricity in May 2017. Market based emissions prior to this date are calculated using our supplier's residual supply mix emissions factor, while emissions after that date are based on an emissions factor of zero as electricity is 100% zero carbon. This figure is based on grid purchased electricity, and does not included any electricity generated "behind the meter" on site by gas CHP or solar PV.

**Row 2**

**Scope 2, location-based**

**Scope 2, market-based (if applicable)**

**End-year of reporting period**

**Comment**

**Row 3**

**Scope 2, location-based**

**Scope 2, market-based (if applicable)**

**End-year of reporting period**

**Comment**

**Row 4**

**Scope 2, location-based**

**Scope 2, market-based (if applicable)**

**End-year of reporting period**

**Comment**

## C6.4

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**
No

## C6.5

**(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.**

### Purchased goods and services

#### Evaluation status
Relevant, calculated

#### Metric tonnes CO2e
1376

#### Emissions calculation methodology
Results of the GHG Protocol QUANTIS Scope 3 evaluation tool based on estimated capital spend on goods and services.

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

#### Explanation
In lieu of detailed data from suppliers or value chain partners, the QUANTIS tool has been used to estimate emissions in this category. It is intended that in subsequent years a more detailed approach maybe possible subject to engagement with leading suppliers of goods and services.

### Capital goods

#### Evaluation status
Relevant, calculated

#### Metric tonnes CO2e
136484

#### Emissions calculation methodology
In lieu of detailed data from suppliers or value chain partners, the QUANTIS tool has been used to estimate emissions in this category. It is intended that in subsequent years a more detailed approach maybe possible subject to engagement with developers and vendors.

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

#### Explanation
As above.

### Fuel-and-energy-related activities (not included in Scope 1 or 2)

#### Evaluation status
Relevant, calculated

#### Metric tonnes CO2e
11812

#### Emissions calculation methodology
In line with DEFRA Voluntary Reporting Guidelines. Calculated using actual fuel and electricty consumption data, and relevant DEFRA emissions factors, covering WTT and T&D related emissions.

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

#### Explanation
All underlying fuel and electricity consumption data was obtained from suppliers or value chain partners, either direct from energy supplier or via supplier who maintains our meter estate and consumption data.

### Upstream transportation and distribution

#### Evaluation status
Not relevant, explanation provided

#### Metric tonnes CO2e
0

#### Emissions calculation methodology
Unite Students service model does not have upstream transportation and distribution related emissions. Any emissions related to construction or acquisition of new properties is included in Category 2, while any emissions related to products and services is at Category 1.

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

#### Explanation
n/a

### Waste generated in operations

#### Evaluation status
Relevant, calculated

#### Metric tonnes CO2e
3635

#### Emissions calculation methodology
The majority of waste generated on our sites is by our student tenants. The majority of this is collected by local authorities for free under the provision of local Council Tax, as it would be for any other domestic resident. Local Authorities do not provide any data around quantities of waste collected or recycled. We have therefore estimated the total cost if we were to move all collections across to a single national provider, and then used the QUANTIS tool to estimate emissions in this category. It is intended that in subsequent years a more detailed approach maybe possible subject to engagement with leading suppliers of goods and services.

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

#### Explanation
See above.

### Business travel

#### Evaluation status
Relevant, calculated

#### Metric tonnes CO2e
452.98

#### Emissions calculation methodology
This is based: Rail travel data provided by central booking agent Air travel data provided by central booking agent Private vehicle mileage for work trips (not commuting) provided by employees via our mileage claims system Company car (not works pool vehicles) mileage for work trips (not commuting) provided provided by employees via our mileage claims system Works pool vehicles (typically vans) mileage for work trips (not commuting) provided provided by employees via our mileage claims system The above data has then been used to calculate: Direct and WTT emissions from employee private vehicles and company cars used for business trips Direct and WTT emissions from rail journeys Direct and WTT emissions from rail journeys WTT emissions for works pool vehicles used for business trips

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

#### Explanation
Data obtained from various systems operated on our behalf by supply chain partners.

### Employee commuting

#### Evaluation status
Relevant, calculated

#### Metric tonnes CO2e
2975

#### Emissions calculation methodology
Data on employee commuting is not available and so an estimate has been made using the GHG Protocol QUANTIS tool.

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

#### Explanation
As above.

### Upstream leased assets

#### Evaluation status
Not relevant, explanation provided

#### Metric tonnes CO2e
0

#### Emissions calculation methodology
This category is not applicable to Unite Students operations as we do not have upstream leased assets.

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

#### Explanation
Not applicable

### Downstream transportation and distribution

#### Evaluation status
Not relevant, explanation provided

#### Metric tonnes CO2e

#### Emissions calculation methodology
This category is not applicable to Unite Students operations as we do not have any downstream transportation and distribution.

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

#### Explanation
Not applicable

### Processing of sold products

#### Evaluation status
Not relevant, explanation provided

#### Metric tonnes CO2e
0

#### Emissions calculation methodology
This category is not applicable to Unite Students operations as we do not sell products.

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

#### Explanation
Not applicable

### Use of sold products

#### Evaluation status
Not relevant, explanation provided

#### Metric tonnes CO2e
0

#### Emissions calculation methodology
This category is not applicable to Unite Students operations as we do not sell products.

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

#### Explanation
Not applicable

### End of life treatment of sold products

#### Evaluation status
Not relevant, explanation provided

#### Metric tonnes CO2e
0

#### Emissions calculation methodology
This category is not applicable to Unite Students operations as we do not sell products.

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

#### Explanation
Not aplicable

### Downstream leased assets

#### Evaluation status
Relevant, calculated

#### Metric tonnes CO2e
18552

#### Emissions calculation methodology
Some of our properties include small commercial units collocated with student accommodation. Emissions from these have not yet been fully measured and reported, but have been scoped using the GHG Protocol Quantis Scope 3 Screening Tool and assessed potentially constituting up to 18522 tonnes CO2e/yr

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

#### Explanation
As above, based on estimate from QUANTIS tool.

### Franchises

#### Evaluation status
Not relevant, explanation provided

#### Metric tonnes CO2e
0

#### Emissions calculation methodology
This category is not applicable to Unite Students operations as we do not operate franchises

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

#### Explanation
Not applicable

**Investments**

**Evaluation status**
Not relevant, explanation provided

**Metric tonnes CO2e**
0

**Emissions calculation methodology**
This category is not applicable to Unite Students operations as we do not have any investments other than our properties, emissions from which are already captured in Scope 1 and Scope 2 emissions reported.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Explanation**
Not applicable

**Other (upstream)**

**Evaluation status**
Not relevant, explanation provided

**Metric tonnes CO2e**
0

**Emissions calculation methodology**
This category is not applicable to Unite Students operations as we do not have relevant upstream sources of emissions.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**
Not applicable

**Other (downstream)**

**Evaluation status**
Not relevant, explanation provided

**Metric tonnes CO2e**
0

**Emissions calculation methodology**
This category is not applicable to Unite Students operations as we do not have relevant downstream sources of emissions.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Explanation**
Not applicable

## C6.7

**(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?**
No

## C6.10

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**
0.00015051

**Metric numerator (Gross global combined Scope 1 and 2 emissions)**

48553

**Metric denominator**
unit total revenue

**Metric denominator: Unit total**
322590000

**Scope 2 figure used**
Location-based

**% change from previous year**
14

**Direction of change**
Decreased

**Reason for change**
Increased revenue and decreased combined scope 1 and 2 emissions.

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**Intensity figure**
0.98

**Metric numerator (Gross global combined Scope 1 and 2 emissions)**
48553

**Metric denominator**
unit of service provided

*Unit of service provided is "student beds" i.e. total number of student beds under management during reporting period. Note that the "carbon contributing" bed numbers figure is used here, which includes pro rata contribution from any properties that were only in scope for part of the year (i.e. new openings or disposals mid year). For example, a 1000 bed site that was only in scope for 6 months would contribute 500 beds pro rata to the total.*

**Metric denominator: Unit total**
49528

**Scope 2 figure used**
Location-based

**% change from previous year**
15.3

**Direction of change**
Decreased

**Reason for change**
This change in intensity is driven by An 8.7% reduction in absolute combined scope 1 + 2 (location based) emissions, and a 7.84% increase in "carbon contributing" bed numbers (i.e. with new openings and disposals accounted pro rata based on number of months in scope, e.g. a 100 bed site in scope for 6 months of the reporting period is counted as 50 beds pro rata).

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**Intensity figure**
0.516

**Metric numerator (Gross global combined Scope 1 and 2 emissions)**
25552

**Metric denominator**
unit of service provided

*Unit of service provided is "student beds" i.e. total number of student beds under management during reporting period. Note that the "carbon contributing" bed numbers figure is used here, which includes pro rata contribution from any properties that were only in scope for part of the year (i.e. new openings or disposals mid year). For example, a 1000 bed site that was only in scope for 6 months would contribute 500 beds pro rata to the total.*

**Metric denominator: Unit total**
49528

**Scope 2 figure used**

Market-based

**% change from previous year**
55.1

**Direction of change**
Decreased

**Reason for change**
This change in intensity is driven by An 51.6% reduction in absolute combined scope 1 + 2 (market based) emissions, and a 7.84% increase in "carbon contributing" bed numbers (i.e. with new openings and disposals accounted pro rata based on number of months in scope, e.g. a 100 bed site in scope for 6 months of the reporting period is counted as 50 beds pro rata). The significant drop in absolute combined scope 1 + 2 (market based) emissions is driven primarily by the switch to 100% REGO certified renewable electricity at end of May 2017, after which a market based emissions factor of zero applies.

## C7. Emissions breakdowns

### C7.1

**(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?**
Yes

### C7.1a

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

| Greenhouse gas | Scope 1 emissions (metric tons of CO2e) | GWP Reference |
|---|---|---|
| CO2 | 5793.94 | IPCC Second Assessment Report (SAR - 100 year)<br>*Calculated using the relevant energy consumption for Scope 1 and Scope 2, and application of the relevant DEFRA emissions factors for CO2, CH4 and NOX* |
| CH4 | 7.99 | IPCC Second Assessment Report (SAR - 100 year)<br>*Calculated using the relevant energy consumption for Scope 1 and Scope 2, and application of the relevant DEFRA emissions factors for CO2, CH4 and NOX* |
| N2O | 5.75 | IPCC Second Assessment Report (SAR - 100 year)<br>*Calculated using the relevant energy consumption for Scope 1 and Scope 2, and application of the relevant DEFRA emissions factors for CO2, CH4 and N2O* |

### C7.2

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

| Country/Region | Scope 1 emissions (metric tons CO2e) |
|---|---|
| United Kingdom of Great Britain and Northern Ireland<br>*All Unite Students operations are in the UK. Unite Students have data by facility but it is not practicable to manually upload over 130 sites of data. We have attached it here as an attachment. CDP should consider a bulk-upload option which then auto-sums to relevant fields elsewhere (e.g. Scope 1, 2 and 3 data) to avoid manual transcription errors and reduce workload of responding.* | 6094 |

## C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By activity

## C7.3c

**(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

| Activity | Scope 1 emissions (metric tons CO2e) |
|---|---|
| Scope 1 emissions from Student Accommodation building energy use | 5627.82 |
| Scope 1 emissions from Head Office building energy use | 466.06 |
| Scope 1 business travel | 375.6 |

## C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

| Country/Region | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) | Purchased and consumed electricity, heat, steam or cooling (MWh) | Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh) |
|---|---|---|---|---|
| United Kingdom of Great Britain and Northern Ireland<br>*All Unite Students operations are in the UK* | 42459 | 19458 | 116336 | 56198 |

## C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By activity

## C7.6c

**(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

| Activity | Scope 2, location-based emissions (metric tons CO2e) | Scope 2, market-based emissions (metric tons CO2e) |
|---|---|---|
| Scope 2 emissions from Student accommodation building energy use | 40747 | 17770 |
| Scope 2 emissions from Head offices building energy use | 165.64 | 140.22 |

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

## C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.**

| | Change in emissions (metric tons CO2e) | Direction of change | Emissions value (percentage) | Please explain calculation |
|---|---|---|---|---|
| Change in renewable energy consumption | 0 | No change | 0 | From end of May 2017, 100% of purchased electricity was REGO certified from zero carbon renewable sources. This delivered a 39.6% reduction in MARKET BASED scope 2 emissions (compared to if we had continued to use the suppliers' declared residual generation mix based emissions factor for market based reporting. However this does not affect our location based emissions which use the UK grid national average emissions factor and so do not take account of our contractual supply arrangements. |
| Other emissions reduction activities | 550 | Decreased | 1 | Emissions reduction from engagement programme and energy efficiency activity. |
| Divestment | 3836 | Decreased | 7.2 | 15 sites were disposed of during the reporting period. Figure reported here is the estimated combined Scope 1+ Scope 2 (location based) emissions from those sites if they had remained in scope for full 12 months, based on extrapolation of data covering the period they were in scope. |
| Acquisitions | 2346 | Increased | 4.4 | 12 new openings (combination of acquisitions of existing properties and openings of new developments) in year delivered a 2346tonnesCO2e increase compared to base case had these sites not opened. |
| Mergers | 0 | No change | 0 | none |
| Change in output | 0 | No change | 0 | none |
| Change in methodology | 0 | No change | 0 | none |
| Change in boundary | 0 | No change | 0 | none |
| Change in physical operating conditions | 1727 | Decreased | 3.25 | Based on UK national average data, there was a 13% reduction in heating degree days from 2016-2017. Assuming on average that 25% of building energy use, and hence Scope 1 + emissions, is due to space heating, this would translate to a 3.25% reduction in combined scope 1 + 2 emissions. |
| Unidentified | 5070 | Increased | 9.5 | This increase in emissions is thought to be due to increased utilisation of assets, such as increased summer occupancy and increased term-time usage of properties by students due to addition of new facilities such as improved common rooms and study areas. Contribution is also likely from changes to term dates vs previous year. |
| Other | 7001 | Decreased | 12.6 | Reduction in UK national grid electricty emissions factor due to onging decarb onisation of UK central energy generation. Location based scope 2 emissions factor fell by 14.68% from 2016-2017. |

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

# C8. Energy

## C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 15% but less than or equal to 20%

## C8.2

### (C8.2) Select which energy-related activities your organization has undertaken.

| | Indicate whether your organization undertakes this energy-related activity |
|---|---|
| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | Yes |
| Consumption of purchased or acquired steam | No |
| Consumption of purchased or acquired cooling | No |
| Generation of electricity, heat, steam, or cooling | Yes |

## C8.2a

### (C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

| | Heating value | MWh from renewable sources | MWh from non-renewable sources | Total MWh |
|---|---|---|---|---|
| Consumption of fuel (excluding feedstock) | HHV (higher heating value) | 0 | 30803 | 30803 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 60138 | 56198 | 116336 |
| Consumption of purchased or acquired heat | <Not Applicable> | 0 | 4.5 | 4.5 |
| Consumption of purchased or acquired steam | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired cooling | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of self-generated non-fuel renewable energy | <Not Applicable> | 8.6 | <Not Applicable> | 8.6 |
| Total energy consumption | <Not Applicable> | 60146 | 87005.5 | 147157.1 |

## C8.2b

### (C8.2b) Select the applications of your organization's consumption of fuel.

| | Indicate whether your organization undertakes this fuel application |
|---|---|
| Consumption of fuel for the generation of electricity | No |
| Consumption of fuel for the generation of steam | No |
| Consumption of fuel for the generation of cooling | No |
| Consumption of fuel for co-generation or tri-generation | No |

## C8.2c

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Fuels (excluding feedstocks)**
Natural Gas

**Heating value**
HHV (higher heating value)

**Total fuel MWh consumed by the organization**
30803

**MWh fuel consumed for the self-generation of electricity**
<Not Applicable>

**MWh fuel consumed for self-generation of heat**
<Not Applicable>

**MWh fuel consumed for self-generation of steam**
<Not Applicable>

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**
<Not Applicable>

## C8.2d

**(C8.2d) List the average emission factors of the fuels reported in C8.2c.**

**Natural Gas**

**Emission factor**
0.18416

**Unit**
metric tons CO2e per MWh

**Emission factor source**
2017 DEFRA emissions factor for Natural Gas (gross CV basis, scope 1 only)
https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting

**Comment**
None.

## C8.2e

**(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

| | Total Gross generation (MWh) | Generation that is consumed by the organization (MWh) | Gross generation from renewable sources (MWh) | Generation from renewable sources that is consumed by the organization (MWh) |
|---|---|---|---|---|
| Electricity | 8.6 | 8.6 | 8.6 | 8.6 |
| Heat | 0 | 0 | 0 | 0 |
| Steam | 0 | 0 | 0 | 0 |
| Cooling | 0 | 0 | 0 | 0 |

## C8.2f

**(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.**

**Basis for applying a low-carbon emission factor**
Contract with suppliers or utilities ( e.g. green tariff), supported by energy attribute certificates

**Low-carbon technology type**
Solar PV
Wind
Nuclear

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**
56198

**Emission factor (in units of metric tons CO2e per MWh)**
0

**Comment**
From May 2017 100% of grid electricity purchased from our supplier NPower has been backed by the corresponding number of REGO certificates, also purchased directly from NPower. Therefore all electricity consumed from 1 Jun 2018 onward had an emissions factor of zero, while electricity consumed prior to that has an emissions factor determined via the supplier's residual supply mix.

## C9. Additional metrics

## C9.1

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

**Description**
Energy use

**Metric value**
2349

**Metric numerator**
kWh of total electricity consumption per year

**Metric denominator (intensity metric only)**
Student bed numbers

**% change from previous year**
4.1

**Direction of change**
Decreased

**Please explain**
Note that "student bed numbers" means total number of student beds under management during reporting period. Note that the "carbon contributing" bed numbers figure is used here, which includes pro rata contribution from any properties that were only in scope for part of the year (i.e. new openings or disposals mid year). For example, a 1000 bed site that was only in scope for 6 months would contribute 500 beds pro rata. Although absolute electricity consumption across the estate rose by 3.4% from 2016 to 2017, the total student bed numbers rose by 7.84% in the same period, meaning consumption per bed fell. This reflects the contributions from energy efficiency programmes, reduced heating demand due to weather changes, and introduction of new more energy efficient properties.

**Description**
Energy use

**Metric value**
622

**Metric numerator**
kWh of total natural gas consumption per year

**Metric denominator (intensity metric only)**
Student bed numbers

**% change from previous year**
1.8

**Direction of change**
Decreased

**Please explain**
Note that "student bed numbers" means total number of student beds under management during reporting period. Note that the "carbon contributing" bed numbers figure is used here, which includes pro rata contribution from any properties that were only in scope for part of the year (i.e. new openings or disposals mid year). For example, a 1000 bed site that was only in scope for 6 months would contribute 500 beds pro rata to the total. Although absolute natural consumption across the estate rose by 5.9% from 2016 to 2017, the total student bed numbers rose by 7.84% in the same period, meaning consumption per bed fell. The increase in gas use is due to the proportion of sites in the estate that consume any gas rising. Around 60% of sites are "all electric" and consume no gas at all, but his proportion has fallen in recent years largely due to new openings being required by planning to use gas CHP for hot water rather than direct electric or heat pumps.

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**Description**
Other, please specify (Water use)

**Metric value**
43.7

**Metric numerator**
m3 mains water

**Metric denominator (intensity metric only)**
student bed numbers

**% change from previous year**
9.4

**Direction of change**
Decreased

**Please explain**
Note that "student bed numbers" means total number of student beds under management during reporting period. Note that the "carbon contributing" bed numbers figure is used here, which includes pro rata contribution from any properties that were only in scope for part of the year (i.e. new openings or disposals mid year). For example, a 1000 bed site that was only in scope for 6 months would contribute 500 beds pro rata to the total.

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## C10. Verification

## C10.1

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

| | Verification/assurance status |
|---|---|
| Scope 1 | Third-party verification or assurance process in place |
| Scope 2 (location-based or market-based) | Third-party verification or assurance process in place |
| Scope 3 | Third-party verification or assurance process in place |

## C10.1a

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.**

**Scope**
Scope 1

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Reasonable assurance

**Attach the statement**
Unite Group 2017 VSCCP6405 ISO 14064-1.pdf

**Page/ section reference**
See page 3 for breakdown of scopes.

**Relevant standard**
ISO14064-3

**Proportion of reported emissions verified (%)**
100

---

**Scope**
Scope 2 location-based

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Reasonable assurance

**Attach the statement**
Unite Group 2017 VSCCP6405 ISO 14064-1.pdf

**Page/ section reference**
See page 3 for breakdown of scopes.

**Relevant standard**
ISO14064-3

**Proportion of reported emissions verified (%)**
100

---

**Scope**
Scope 2 market-based

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Reasonable assurance

**Attach the statement**
Unite Group 2017 VSCCP6405 ISO 14064-1.pdf

**Page/ section reference**
See page 3 for breakdown of scopes.

**Relevant standard**
ISO14064-3

**Proportion of reported emissions verified (%)**
100

## C10.1b

**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

**Scope**
Scope 3- at least one applicable category

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Attach the statement**
Unite Group 2017 VSCCP6405 ISO 14064-1.pdf

**Page/section reference**
See page 3 for breakdown of scopes. Note that verification only includes • Scope 3, Category 1 Purchased Goods and Services: Water consumption and waste disposal • Scope 3, Category 3 Fuel & Energy Related Activity: Emissions associated with well-to-tank (WTT) and transmission-and-distribution (T&D) losses for fuel and electricity consumed • Scope 3, Category 6 Business Travel: Business travel by rail, air and private vehicles.

**Relevant standard**
ISO14064-3

## C10.2

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**
Yes

## C10.2a

**(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

| Disclosure module verification relates to | Data verified | Verification standard | Please explain |
|---|---|---|---|
| C8. Energy | Other, please specify (Energy consumption) | ISO14064-3 | Underlying energy data was verified to Reasonable Assurance at the same time as carbon data was assessed.<br>Unite Group 2017 VSCCP6405 ISO 14064-1.pdf |

## C11. Carbon pricing

## C11.1

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Yes

## C11.1a

**(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**

Other carbon tax, please specify (UK Government CRC EES)

## C11.1c

**(C11.1c) Complete the following table for each of the tax systems in which you participate.**

**Other carbon tax, please specify**

**Period start date**

April 1 2017

**Period end date**

March 31 2018

**% of emissions covered by tax**

67

**Total cost of tax paid**

575427

**Comment**

Due to the complex rules of the CRC EES regarding equity share reporting, only 32,510 tonnes CO2e of our total Scope 1 and Scope emissions (67%) are in scope for the CRC EES.

## C11.1d

**(C11.1d) What is your strategy for complying with the systems in which you participate or anticipate participating?**

The CRC EES is being abolished by the UK Government in October 2019, to be replaced by an updated Climate Change Levy (CCL). However under current proposals, Unite Students will be exempt from the CCL as our energy use is for domestic purposes (i.e residential accommodation). Unite Students will therefore cease to be subject to any formal cost of carbon from that date. We are currently assessing options for voluntary schemes after this date, which we may chose to participate in.

## C11.2

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

## C11.3

**(C11.3) Does your organization use an internal price on carbon?**

No, but we anticipate doing so in the next two years

## C12. Engagement

## C12.1

**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our customers

## C12.1b

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement**

Education/information sharing

**Details of engagement**

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

**Size of engagement**

100

**% Scope 3 emissions as reported in C6.5**

10

**Please explain the rationale for selecting this group of customers and scope of engagement**

We operate an award winning sustainability engagement programme targeting all our customers and aiming to promote the adoption of lasting responsible living and working habits. This includes an emphasis on reducing energy and water consumption and improving waste management and recycling, but also promotes broader sustainable living habits around responsible consumption, travel and transport. Our engagement programme operates on 3 levels: First of all a national-level focus providing content and information on sustainable living across various platforms and media that all of our customers access including social media, website, student app, print media (posters etc), aiming to provide a consistent baseline of information to all students living in our buildings. Second a local level focus, that aims to build community action within our properties using the NUS Green Impact programme to help employees work together with student volunteers (who receive training as either "Green Impact Consultants" or "Green Impact Auditors" ) to implement a range of actions that are applicable to the property they live and work in. Third, direct engagement on an individual level, using occupant specific data and information to help provide specific and targeted interventions. In this way we can affect the most consistent business change to drive reductions in energy and carbon.

**Impact of engagement, including measures of success**

This activity can drive significant energy, water and carbon savings, although they are difficult to measure and quantify directly due to the wide range of factors that influence them in addition to customer behaviour (term dates, demographics, building specific factors, weather, etc). We therefore measure progress by setting specific Green Impact Award targets for each city team that we operate in. In 2016 awards were: Bronze 18 cities. Silver 3 Cities. Gold 2 cities. Significant improvements were made by 2017: In 2017 awards were: Bronze, 8 cities. Silver, 10 cities, Gold, 8 cities

## C12.3

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Trade associations

## C12.3b

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

## C12.3c

**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

**Trade association**

British Property Federation

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The BPF recognise the climate change impact of GHG emissions from new and existing buildings and have set out various manifesto commitments: For New Buildings: Press for clarity from government on the introduction of zero-carbon standards for the construction industry, the roles of local planning & building control on the energy performance of new buildings. We also desire clarity over this. Press for a workable & affordable system allowing abatement of building emissions via "allowable solutions", and campaign for fiscal incentives encouraging occupiers to want zero/low carbon buildings, & developers to provide them. We also support the ambition for zero carbon buildings, and the principle of allowable solutions where further improvements on site are not practicable. Seek to ensure that predicted 'as designed' building emissions are actually achieved once occupied. We too are keen to ensure real life performance meets the design performance. For Existing Buildings: Promote understanding of the split responsibilities & incentives of landlords &tenants. We are keen to help tenants students) understand this too. Work with Government & industry to make the Green Deal effective in helping property owners retrofit existing buildings. We support the principle of using the Green Deal to help drive emissions reduction improvements. Campaign to ensure minimum building energy performance standards are introduced in a way that will achieve the Government's objectives without damaging the ability of the industry to deliver accommodation for business and a continuing sound investment. We support the implementation of minimum standards in an ambitious yet achievable manner. Campaign for a simplified approach toward taxation of the emissions associated with energy use in buildings, and investigate use of incentive schemes to encourage occupiers to demand, & landlords to provide, more sustainable space. We would welcome clarity and simplicity around carbon taxation and reduction incentives. Promote operational measurement of building resource consumption & emissions, in particular champion roll-out of display energy certificates. We support measures that help identify and address gap between as built and as occupied performance.

**How have you, or are you attempting to, influence the position?**

We engage with the BPF on key relevant issues, including for example where they consult members for input on relevant Government public consultations. For example we have provided feedback and participated in discussion with the BPF on issues such as the recent Heat Metering and Billing Regulations, where we were keen to identify potential flaws and issues with the proposed and final regulations that would have made it effectively unworkable in the Purpose Built Student Accommodation sector.

## C12.3f

**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Our strategy regarding climate change is set out in our Corporate Responsibility and Environmental Policies, and runs through our other policies such as our "Sustainable Procurement Policy" and "New Construction and Major Refurbishment Sustainability Policy". These are communicated to all relevant employees to ensure they are aware of our position when engaging with trade organisations or other external bodies who influence policy around climate change

## C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**
In mainstream reports

**Status**
Complete

**Attach the document**
2017 annual report uS.pdf

**Content elements**
Governance
Strategy
Emissions figures

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**Publication**
In voluntary communications

**Status**
Complete

**Attach the document**
Unite Students Respoinsible Business Policy May 2018.pdf

**Content elements**
Governance
Strategy
Emission targets

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**Publication**
In voluntary communications

**Status**
Complete

**Attach the document**
Unite Students Environmental Policy 2017.pdf

**Content elements**
Governance
Strategy
Risks & opportunities

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**Publication**
In voluntary sustainability report

**Status**
Complete

**Attach the document**
Unite Students online GRI Standards reporting content index.docx

**Content elements**
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

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## C14. Signoff

## C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

## C14.1

**(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

| | Job title | Corresponding job category |
|---|---|---|
| Row 1 | Group Energy and Environment Manager | Environment/Sustainability manager |

## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

| | Public or Non-Public Submission | I am submitting to |
|---|---|---|
| I am submitting my response | Public | Investors |

**Please confirm below**

I have read and accept the applicable Terms